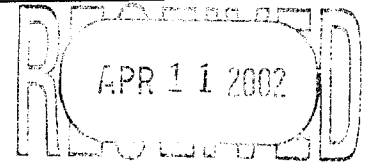
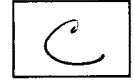


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-01278A
CLEMENCEAU WATER COMPANY
P. O. BOX 58
COTTONWOOD AZ 85326-0000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

4-12-02 cm

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Clemenceau Water Company

Mailing Address P. O. Box 58

Cottonwood
(Street)

AZ

86326

(City)

(State)

(Zip)

928-634-8879

928-624-8879

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address P. O. Box 58

Cottonwood

(Street)

AZ

86326

(City)

(State)

(Zip)

928-634-8879

928-634-8879

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: George T. Siler, Jr. President
(Name) (Title)

P. O. Box 58

(Street)

Cottonwood

(City)

AZ

(State)

86326

(Zip)

928-634-8879

928-634-8879

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: George T. Siler, Jr.
(Name)

1865 E. Carpenter Ln.

(Street)

Cottonwood

(City)

AZ

(State)

86326

(Zip)

928-646-6059

928-634-8879

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: Esser, Bradley, Lundy

(Name)

P. O. Box 220, 1785 W. Hwy 89A, Ste 2-1 Sedona AZ 86336
(Street) (City) (State) (Zip)

928-282-1483 928-282-7885
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: William N. Lundy

(Name)

P. O. Box 220, 1785 W. Hwy 89A, Ste 2-1 Sedona AZ 86336
(Street) (City) (State) (Zip)

928-282-1483 928-282-7885
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	2,657	0	2,657
302	Franchises	4,255	0	4,255
303	Land and Land Rights	13,200	0	13,200
304	Structures and Improvements	18,055	9,605	8,450
307	Wells and Springs	42,888	42,888	0
311	Pumping Equipment	81,692	54,572	27,120
320	Water Treatment Equipment	950	846	104
330	Distribution Reservoirs and Standpipes	146,394	70,367	76,027
331	Transmission and Distribution Mains	216,896	173,324	43,572
333	Services	31,634	20,941	10,693
334	Meters and Meter Installations	28,371	18,466	9,905
335	Hydrants	17,294	7,232	10,062
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	247	144	103
340	Office Furniture and Equipment	1,496	301	1,195
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	2,281	1,881	400
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	608,310	400,567	207,743

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	2,657	0	0
302	Franchises	4,255	0	0
303	Land and Land Rights	13,200	0	0
304	Structures and Improvements	18,055	5%	903
307	Wells and Springs	42,888	5%	0
311	Pumping Equipment	81,692	5%	4,085
320	Water Treatment Equipment	950	5%	48
330	Distribution Reservoirs and Standpipes	146,394	5%	7,320
331	Transmission and Distribution Mains	216,896	5%	10,845
333	Services	31,634	5%	1,582
334	Meters and Meter Installations	28,371	5%	1,419
335	Hydrants	17,294	5%	865
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	247	5%	12
340	Office Furniture and Equipment	1,496	5%	75
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	2,281	5%	114
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	608,310		27,268

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 16,994	\$ 39,000
134	Working Funds	20,000	10,000
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	14,407	16,594
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	7,400	3,708
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	2,200	5,662
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 61,001	\$ 74,964
	FIXED ASSETS		
101	Utility Plant in Service	\$ 606,130	\$ 608,310
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	– 373,299	– 400,567
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$ 232,831	\$ 207,743
	TOTAL ASSETS	\$ 293,832	\$ 282,707

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 1,796	\$ 6,082
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	3,830	3,880
236	Accrued Taxes	4,573	5,531
237	Accrued Interest	438	374
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 10,637	\$ 15,867
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 60,840	\$ 42,514
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	29,669	29,387
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	37,989	35,879
272	Less: Amortization of Contributions	2,110	2,110
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 65,548	\$ 63,156
	TOTAL LIABILITIES	\$ 137,025	\$ 121,537
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 30,000	\$ 30,000
211	Paid in Capital in Excess of Par Value	126,807	131,170
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 156,807	\$ 161,170
	TOTAL LIABILITIES AND CAPITAL	\$ 293,832	\$ 282,707

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 189,182	\$ 194,175
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	850	1,025
	TOTAL REVENUES	\$ 190,032	\$ 195,200
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 68,925	\$ 77,124
610	Purchased Water	2,423	2,291
615	Purchased Power	21,264	22,082
618	Chemicals	0	0
620	Repairs and Maintenance	7,107	13,071
621	Office Supplies and Expense	4,644	3,618
630	Outside Services	1,266	2,556
635	Water Testing	1,212	2,998
641	Rents	2,759	2,759
650	Transportation Expenses	6,595	8,126
657	Insurance – General Liability	4,444	3,705
659	Insurance - Health and Life	7,559	10,105
666	Regulatory Commission Expense – Rate Case	45	45
675	Miscellaneous Expense	601	422
403	Depreciation Expense	26,719	27,268
408	Taxes Other Than Income	7,790	6,073
408.11	Property Taxes	6,947	7,720
409	Income Tax	1,218	8,951
	TOTAL OPERATING EXPENSES	\$ 171,518	\$ 198,914
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 238	\$ 184
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	142	132
427	Interest Expense	6,217	4,052
	TOTAL OTHER INCOME/EXP	\$ (6,121)	\$ (4,000)
	NET INCOME/(LOSS)	\$ 12,393	\$ (7,714)

COMPANY NAME	Clemenceau Water Company
---------------------	--------------------------

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1-12-98			
Source of Loan	1st mtg.			
ACC Decision No.	61549			
Reason for Loan	160K gal water storage tank			
Dollar Amount Issued	\$ 70,000	\$	\$	\$
Amount Outstanding	\$ 42,514	\$	\$	\$
Date of Maturity	1-12-08			
Interest Rate	9%			
Current Year Interest	\$ 3,820	\$	\$	\$
Current Year Principle	\$ 7,800	\$	\$	\$

Meter Deposit Balance at Test Year End	<u>\$ 3,493</u>
Meter Deposits Refunded During the Test Year	<u>\$ 673</u>

COMPANY NAME	Clemenceau Water Company
---------------------	--------------------------

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-505-300	20	180	10"	2"
55-624-266	10	80	12"/10"	2"
55-624-265	7.5	80	7"	2"

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
2" water hookup to Cwd Water Works	100	Well #4 4189 } Cwd 900 } 5,089
Haskell Spring (emergency cross connect)	100	0

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 82,794

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	2	53	16
10	4		
7 1/2	1		
5	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	2	10,000	2
50,000	2	5,000	1
10,000	2		

STATISTICAL INFORMATION

Total number of customers	242	
Total number of gallons sold	80,877,000	gallons

COMPANY NAME Clemenceau Water Company **YEAR ENDING 12/31/2001**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>213,301</u>
Estimated or Actual Federal Tax Liability	<u>1,292 Tax credit</u>

State Taxable Income Reported	<u>213,301</u>
Estimated or Actual State Tax Liability	<u>1,023 Tax credit</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>29,387</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>29,387</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4-9-02
DATE

George T. Siler, Jr.
PRINTED NAME

President
TITLE

COMPANY NAME Clemenceau Water Company YEAR ENDING 12/31/2001

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

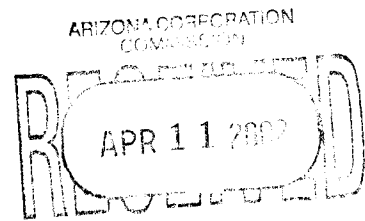
Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 7,720

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Yavapai	
NAME (OWNER OR OFFICIAL) George T. Siler, Jr.	TITLE President
COMPANY NAME Clemenceau Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 79,224
--

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 6,741
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X
SIGNATURE OF OWNER OR OFFICIAL

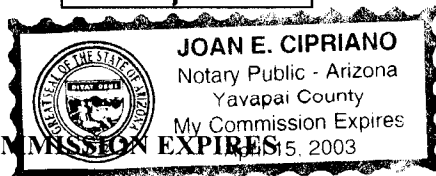
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 9 DAY OF

(SEAL)

MY COMMISSION EXPIRES



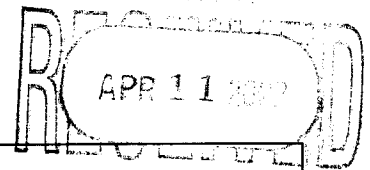
4-15-03

NOTARY PUBLIC NAME JOAN CIPRIANO	
COUNTY NAME YAVAPAI	
MONTH APRIL 9	2002

X
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Yavapai
NAME (OWNER OR OFFICIAL) TITLE George T. Siler, Jr. President
COMPANY NAME Clemenceau Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 212,267

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 17,566
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL
928-634-8879
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

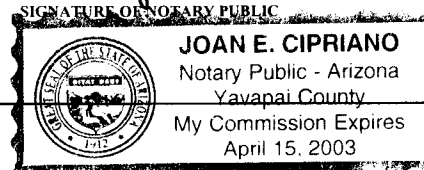
THIS 9th DAY OF

(SEAL)

MY COMMISSION EXPIRES 4-15-03

COUNTY NAME YAVAPAI	
MONTH APRIL	20 02

SIGNATURE OF NOTARY PUBLIC



END OF MESSAGE

2000 m&h-15

1045

CLEMENCEAU WATER CO. 03/97

SPECIAL ACCOUNT
P.O. BOX 58
COTTONWOOD, AZ 86326

DATE 4-18-01

91-170
6551 1221 AZ

PAY TO THE ORDER OF Ross Jacobs, Yavapai County Treasurer \$3,497.⁰⁹/₁₀₀

Three Thousand, Four Hundred ninety Seven and ⁰⁹/₁₀₀

DOLLARS

Bank of America.

FOR 905-40-630-4

George J. Liler

MP

0001045 122101706 000252125487

0000349709

Security Features:
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Chemical Penetration
Erasing Mark
Security Mark

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• Stains or spots appear with chemical alteration
• White mark appears when erased
• Absence of "Original Document" watermark

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24

04/25/01 E2683 01 P1

122100024

ONE, ARIZONA, N.A.
TWO, ARIZONA

1221000244
E2683 01 NA
ARIZONA, NA
ARIZONA, NA
1221000244

1705 41581

ENDORSE HERE

FOR DEPOSIT ONLY

04 24 01

YAVAPAI
COUNTY
TREASURER

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE *